



ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
PHONE (501) 371-2605
<http://www.state.ar.us/insurance>

2003 DOMESTIC L&D INSTRUCTIONS
ACCOUNTING DIVISION

PREMIUM TAX FILING INSTRUCTIONS
DOMESTIC LIFE & ACCIDENT & HEALTH INSURERS ONLY

DUE DATE: MARCH 1, 2004

FILING REQUIREMENTS: IN ONE PACKET ENCLOSE

- ☐ 2003 FORM AID AC LD-T(D) (ANNUAL REPORT OF PREMIUMS, TAXES AND FEES) WITH CHECK ATTACHED
- ☐ 1 COPY OF 2003 ARKANSAS STATE BUSINESS PAGE
- ☐ 1 COPY OF SCHEDULE T
- ☐ DOCUMENTATION FOR SCHEDULE B

MAILING ADDRESS FOR PREMIUM TAX FILINGS AND PAYMENTS:

ACCOUNTING DIVISION
ARKANSAS INSURANCE DEPT.
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904

DO NOT MAIL PREMIUM TAX FORMS AND CHECKS WITH THE ANNUAL STATEMENT OR ANY OTHER CORRESPONDENCE.

FOR QUESTIONS CONCERNING THE COMPLETION OF THE TAX FORMS CONTACT:

ACCOUNTING DIVISION
(501) 371-2605
Email: Insurance.Accounting@mail.state.ar.us

PENALTIES: ALL TAX FORMS ARE SUBJECT TO PENALTY IN ACCORDANCE WITH ACA 26-57-607. THE ARKANSAS INSURANCE DEPARTMENT DOES NOT ACCEPT THE POSTMARK DATE FOR FILING REQUIREMENTS. ALL TAX FORMS MUST BE RECEIVED IN OUR DEPARTMENT ON OR BEFORE MARCH 1, 2004. PAYMENTS ARE TO BE ATTACHED TO THE APPROPRIATE FORM

CONSUMER INFORMATION ASSESSMENT FEE: ACA 23-63-108 HAS BEEN REPEALED. THE DEPARTMENT NO LONGER COLLECTS THIS FEE.

CORPORATE FRANCHISE TAX: **DO NOT INCLUDE THE FRANCHISE TAX FORM AND PAYMENTS IN YOUR PREMIUM TAX FILINGS.** REMIT THEM AT THE APPROPRIATE TIME TO THE OFFICE OF THE SECRETARY OF STATE, ATTENTION: CHARLOTTE MARTIN, AGEON BLDG., SUITE 310, 501 WOODLANE, LITTLE ROCK, AR 72201. DIRECT INQUIRIES TO THE SECRETARY OF STATE (501) 682-3409.

2003 MANDATORY ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL **DO NOT INCLUDE THIS FORM WITH YOUR PREMIUM TAX FILINGS.** THIS FORM CAN BE DOWNLOADED AT www.state.ar.us/insurance. SCROLL DOWN AND CLICK ON ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL. IF YOU HAVE ANY QUESTIONS, DIRECT INQUIRIES TO (501) 370-2659. **MAIL TO THE ADDRESS ON THE FORM.**

INSTRUCTIONS FOR AID AC LD-T(D) (Annual Report Of Premiums, Taxes, And Fees)**SECTION C: Information regarding the Arkansas credits****Arkansas Life and Health Guaranty Fund Assessment Credit § 23-96-115**

The Life and Health Guaranty Fund Association will issue a notice of the available credit. Questions regarding the credit should be directed to the LHGF office at (501) 371-2776.

Arkansas Comprehensive Health Insurance Pool § 23-79-507

The CHIP administrator will issue a notice of the available credit. Questions regarding the credit should be directed to the CHIP office at (501) 370-2659.

Affordable Neighborhood Housing Tax Credit §§ 15-5-1303 to 15-5-1304

Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by Arkansas Development Finance Authority.

Low-Income Housing Tax Credit § 26-51-1702

Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the Arkansas Development Finance Authority has issued an eligibility statement.

County or Regional Industrial Development Corporation on Limited Liability Company § 15-4-1224

Insurers may take a premium tax credit for investments in a county or regional industrial development firm. The credit is equal to 33.33% of the actual purchase price of stock or units of interest and fees paid (with limitations). The maximum credit in one tax year is 50% of the net premium tax liability. Excess may be carried forward for three years.

Capital Development Corporation Tax Credit §§ 15-4-1026, 15-4-1029(f)(1)

Person who purchases an equity interest in a capital development company between 2003 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third (33 1/3) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019.

Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in § 15-4-1016 or for operating expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds.

REFUNDS:

If a refund is due for AID AC LD-T(D) (annual report of premiums, taxes, and fees) check the line on page 1, in the upper right hand corner.

**ARKANSAS INSURANCE DEPARTMENT****2003 AID AC LD-T (D)**1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
PHONE: (501) 371-2605
WWW.STATE.AR.US/INSURANCEACCOUNTING DIVISION
DUE MARCH 1, 2004

___ ORIGINAL FILING

___ AMENDED FILING

___ REFUND DUE

ARKANSAS DOMESTICS ONLY**ANNUAL REPORT OF PREMIUMS, TAXES AND FEES
OF LIFE AND ACCIDENT AND HEALTH INSURANCE COMPANIES**

NAIC COMPANY CODE (5 digit code)		STATE OF DOMICILE
COMPANY NAME		
MAILING ADDRESS		
CONTACT PERSON		
TELEPHONE NUMBER	EXT	FAX NUMBER
EMAIL ADDRESS		

ARKANSAS TAX**A. LIFE PREMIUMS:**

2003 ANNUAL STATEMENT, PAGE 30, COLUMN 5, LINE 1

- | | |
|---|--------------|
| 1. Direct Written Premiums | \$ _____ |
| 2. Tax Thereon 2 1/2% | \$ _____ |
| 3. AR Salaries Credit (Schedule ICPT)- NOT TO EXCEED 70% OF LINE 2 | \$ (_____) |
| 4. Net Premium Tax (line 2-3) | \$ _____ |

B. ACCIDENT AND HEALTH PREMIUMS:

2003 ANNUAL STATEMENT, PAGE 30, COLUMN 1 LINE 26 (EXCLUDING 24.1)

- | | |
|--|--------------|
| 5. Direct Written Premiums | \$ _____ |
| 6. Less Dividends Paid or Credited (Page 30, Column 3 Excluding Line 24.1) | \$ (_____) |
| 7. Net Accident and Health Premiums | \$ _____ |
| 8. Tax Thereon 2 1/2% | \$ _____ |
| 9. AR Salaries Credit (Schedule ICPT)- NOT TO EXCEED 80% OF LINE 8 | \$ (_____) |
| 10. Net Premium Tax (line 8-9) | \$ _____ |
| 11. Subtotal Premium Tax Due A(4) + B(10) | \$ _____ |

C. CREDITS

- | | |
|---|--------------|
| 12. AR Life & Health Guaranty Fund Assessment Credit | \$ (_____) |
| 13. AR Comprehensive Health Ins Pool (CHIP) Credit | \$ (_____) |
| 14. Affordable Neighborhood Housing Credit | \$ (_____) |
| 15. Low Income Housing Tax Credit | \$ (_____) |
| 16. County and Regional Industrial Development Corporation Credit | \$ (_____) |
| 17. AR Regulatory Fee Credit (Schedule B) | \$ (_____) |
| 18. Total Credits (lines 12 thru 17) | \$ (_____) |

D. TOTAL PREMIUM TAX DUE

- | | |
|--|--------------|
| 19. B(11) - C(18) | \$ _____ |
| 20. Capital Development Corporation Tax Credit | \$ (_____) |
| 21. Net Premium Tax (line 19-20) | \$ _____ |

FIGURE CANNOT BE LESS THAN ZERO

E. FEES:

22. Filing Annual Statement \$ 50.00

23. Certificate of Authority Renewal \$ 100.00

24. Total Fees Due \$ 150.00

F. PREMIUM TAXES AND FEES DUE:

25. Subtotal (lines 21 + 24) \$ _____

26. Less 2003 Quarterly Prepayments from below \$(_____)

27. **Net Payment Due** \$ _____

2003 FORM AID AC EST-Q QUARTERLY PREPAYMENTS

3/31/03	check #	\$
6/30/03	check #	\$
9/30/03	check #	\$

*****PAYMENTS AND REFUNDS*****

1. **MAKE CHECK PAYABLE TO THE STATE TREASURER OF THE STATE OF ARKANSAS AND ATTACH TO THIS FORM.**
CHECKS FOR GROUPS ARE NOT ACCEPTABLE PAYMENT MUST BE MAKE FOR EACH INDIVIDUAL COMPANY.
2. DO NOT TAKE ANY CREDITS FOR PRIOR YEAR OVERPAYMENTS.
3. IF THE NET PAYMENT RESULTS IN A REFUND, DO NOT SEND A CHECK FOR THE FEES.
4. REFUNDS WILL BE SENT AFTER THE RETURN IS AUDITED.

SCHEDULE B
PREFATORY NOTE:

ACA 26-57-615 provides that insurers organized or domiciled under the laws of the State of Arkansas may have a credit against premium tax otherwise due and payable pursuant to ACA 26-57-603(d) based upon the effect, if any, that Arkansas' "administrative and financial regulation fee" may have in increasing the "comparable fee" or retaliatory fees that must be paid by that Arkansas domestic in any other state in which it may do business.

CALCULATION OF CREDIT:

1. Amount by which **comparable** administrative and financial regulation fee in other states of licensure was legally increased by reason of the Arkansas fee [attach state-by-state three column breakdown displaying what fee would have been paid, what fee was assessed and paid because of the Arkansas fee, and the amount of the difference (**between the fees only**)]: \$ _____
2. The administrative and financial regulation fee paid in other states of licensure required by retaliatory laws of such state to be paid even though such state imposes "**no comparable fee**" (attach state-by-state columnar breakdown displaying amounts paid and reference other states' retaliatory laws: \$ _____
3. Total of Items 1 and 2 \$ _____
4. Total Arkansas Taxes (ENTER AMOUNT FROM SECTION B LINE 11) \$ _____
5. 90% of Line 4 (not to exceed Line 3) ENTER AMOUNT IN SECTION C LINE 17 \$(_____)

SCHEDULE IC-PT

LIFE AND /OR ACCIDENT AND HEALTH INSURERS AND HEALTH MAINTENANCE ORGANIZATION SALARY ANNUAL OFFSET

Each authorized life or accident and health insurer, including an HMO, may take an annual credit for non-commissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% direct written tax on life and or accident and health insurance. The offset may not reduce tax due on accident & health premiums by more than 80%: or due on life premiums by more than 70%. The employee must be a non-commissioned hire and have been employed 6 months in Arkansas for the wages to qualify.

The Company reports as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: _____

2. Amount of non-commissioned salaries and wages paid to individuals listed in item 1 above:
_____.

3. Complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1.
 - a.

 - b.

 - c.

Attach additional sheets if necessary.

IMPORTANT

ATTACH THE FOLLOWING TO 2003 AID LD-T(D):

- () SCHEDULE B DOCUMENTATION
 - () ARKANSAS STATE BUSINESS PAGE
 - () SCHEDULE T
 - () ONE CHECK FOR THE NET PAYMENT DUE
- *****

AFFIDAVIT

STATE OF _____

COUNTY OF _____

COMES _____ AND STATES ON OATH THAT

HE/SHE IS THE _____ OF _____
(TITLE) (NAME OF COMPANY)

AND THAT THE FOREGOING STATEMENTS ARE TRUE AND CORRECT AS SHOWN BY THE RECORDS OF SAID COMPANY.

(ORIGINAL SIGNATURE OF OFFICER)

SUBSCRIBED AND SWORN TO OR AFFIRMED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, ON

THIS THE _____ DAY OF _____, 20____.

NOTARY

MY COMMISSION EXPIRES
